Attorney General's
Second Set of Information Requests

THE BERKSHIRE GAS COMPANY
DTE 05-7

Witness: **Karen L. Zink**
Date: **May 26, 2005**

Question AG 2-1: Does the Company plan to terminate the Altresco contract? Please explain when the termination would be effective.

Response: The Company does not intend to terminate the Altresco contracts. The Company continues to charge and collect its operating and maintenance costs associated with the feedline running to the Pittsfield Generating plant pursuant to the Natural Gas Transportation Agreement. The Company also continues to maintain the exclusive right to operate such feedline.

Attorney General's
Second Set of Information Requests

THE BERKSHIRE GAS COMPANY
DTE 05-7

Witness: **Karen L. Zink**
Date: **May 26, 2005**

Question AG 2-2: Please identify and describe all costs and expenses incurred by the Company in rendering transportation service under the terms of the Altresco agreement.

Response: Please refer to Attachment AG 2-2(a) for a representative copy of the invoice associated with operating and maintenance charges collected pursuant to the Natural Gas Transportation Agreement. Berkshire incurs no finance charge associated with the feedline to the Pittsfield Generating plant. All costs are "below the line" and, therefore, there are no charges to ratepayers.

Attorney General's
Second Set of Information Requests

THE BERKSHIRE GAS COMPANY
DTE 05-7

Witness: **Karen L. Zink**
Date: **May 26, 2005**

Question
AG 2-3: Does the Company plan to seek to recover such costs and expenses under article 7, section 7.3 of the Altresco agreement dated March 15, 1989?

Response: Please refer to the response to Information Request AG 2-2.

Attorney General's
Second Set of Information Requests

THE BERKSHIRE GAS COMPANY
DTE 05-7

Witness: **Karen L. Zink**
Date: **May 26, 2005**

Question
AG 2-4: Has the Company made efforts to obtain a right of first refusal for the capacity under the Altresco contract?

Response: The Company continues to maintain firm transportation rights pursuant to the Natural Gas Transportation Agreement. The Company also maintains interruptible transportation rights which, with the Pittsfield Generating plant not operating, are extremely flexible. Thus, there is no benefit to securing a first refusal right under the Transportation Agreement.

Attorney General's
Second Set of Information Requests

THE BERKSHIRE GAS COMPANY
DTE 05-7

Witness: **Karen L. Zink**
Date: **May 26, 2005**

Question AG 2-5: If the Altresco facility goes back online, will the Company, under the terms of this agreement, continue to obtain a portion of the gas supply retained by the facility?

Response: The Company will seek to enforce any remaining rights or consider negotiating for new rights should the Pittsfield Generating plant be reactivated.

Attorney General's
Second Set of Information Requests

THE BERKSHIRE GAS COMPANY
DTE 05-7

Witness: **Karen L. Zink/Jennifer M. Boucher**
Date: **May 26, 2005**

Question
AG 2-6: Refer to the Company response to AG 1-1. The request was for copies of "all agreements/contracts (originals and amendments) between the Company and the University of Massachusetts ("UMass") and the Company and any entity that may provide natural gas service to UMass." The Company's response provided only a single contract. Please confirm this is a complete and accurate response to AG 1-1.

Response: The only other gas supply agreement with UMass is a contract executed to implement the Company's Load Management Service Rate (currently M.D.T.E. 323). See Attachment AG 2-6(a).

Attorney General's
Second Set of Information Requests

THE BERKSHIRE GAS COMPANY
DTE 05-7

Witness: **Karen L. Zink/Jennifer M. Boucher**
Date: **May 26, 2005**

Question
AG 2-7: Refer to the Company's response to AG 1-1. Please provide all supporting calculations, workpapers and assumptions related to the financial analysis of the UMass contract that is presented in Schedule BGC-3. Provide a working spreadsheet model of the analyses.

Response: Intentionally Omitted.

CONFIDENTIAL AND PROPRIETARY
PROTECTIVE TREATMENT

Attorney General's
Second Set of Information Requests

THE BERKSHIRE GAS COMPANY
DTE 05-7

Witness: **Karen L. Zink/Jennifer M. Boucher**
Date: **May 26, 2005**

Question
AG 2-8: Refer to the Company's response to AG 1-1. Please explain how the "Net Cash Flow" amounts were determined in the financial analyses contained in Schedule BGC-3. Include all supporting calculations, workpapers and assumptions.

Response: Please see the response to Information Request AG 2-7 for an explanation of how the "Net Cash Flow" amounts were determined.

Attorney General's
Second Set of Information Requests

THE BERKSHIRE GAS COMPANY
DTE 05-7

Witness: **Karen L. Zink/Jennifer M. Boucher**
Date: **May 26, 2005**

Question
AG 2-9: Refer to the Company's response to AG 1-1. Please explain how the Revenues in column 4 of Schedule BGC-3, page 2 (Discounted Cash Flows Analysis- Total Revenues) were determined. Provide all supporting calculations, workpapers and assumptions.

Response: Please see Attachment AG 2-9(a) which provides a spreadsheet illustration of how the Revenues in column 4 of Schedule BGC-3, page 2 (Discounted Cash Flows Analysis - Total Revenues) were determined.

ATTACHMENT IS CONFIDENTIAL AND PROPRIETARY
PROTECTIVE TREATMENT

Attorney General's
Second Set of Information Requests

THE BERKSHIRE GAS COMPANY
DTE 05-7

Witness: **Karen L. Zink/Jennifer M. Boucher**
Date: **May 26, 2005**

Question
AG 2-10: Refer to the Company's response to AG 1-1. Please quantify all annual "lost revenues" that the Company will experience related to the new UMass contract. Include all supporting calculations, workpapers and assumptions. Explain how the "lost revenues" have been incorporated in the analysis presented in Schedule BGC-3.

Response: Intentionally Omitted.

CONFIDENTIAL AND PROPRIETARY
PROTECTIVE TREATMENT

Attorney General's
Second Set of Information Requests

THE BERKSHIRE GAS COMPANY
DTE 05-7

Witness: **Karen L. Zink/Jennifer M. Boucher**
Date: **May 26, 2005**

Question AG 2-11: Refer to the Company's response to AG 1-1. Please explain how the Company's CGA will be affected by the sale of gas to UMass. Explain whether the gas supplied to UMass will be procured and priced separately from gas supplied to the Company's CGA customers. Provide an illustration of how the CGA would be affected had the UMass contract been in effect (Period B) during the 2003/2004 heating year and the 2004/2005 heating year. The response should incorporate the actual gas costs that would have been incurred during these years and the UMass take assumptions should be consistent with those incorporated in the BGC-3 analyses. Include all supporting calculations, workpapers and assumptions. In addition, please supply all supporting calculations in the form of a working spreadsheet model.

Response: The Company's CGA (i.e. firm sales customers) will not be affected by the execution of the Transportation Agreement with UMass. The terms of the Agreement call for Berkshire to notify UMass that LNG will be required to be dispatched based upon forecasted demand conditions. UMass shall either elect to take such service and shall pay Berkshire for the required LNG or UMass may elect to curtail delivery and switch some or all of its operations to an alternative fuel for a specified amount of time. One ancillary benefit of the Transportation Agreement is that UMass will no longer subscribe to the Company's Load Management Service, currently tariff M.D.T.E. 323, which entitled them to a credit for agreeing to reduce their demand to a predetermined minimum level. This credit is recovered as part of the Company's CGA.